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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

Federal Communications Commission
Office of Secretary

In the Matter of)	
)	
Amendment of Part 1 of the Commission's)	WT Docket No. 97-82
Rules – Competitive Bidding Proceeding)	
)	
Comments Requested on Broadband PCS)	Public Notice DA 97-679
C and F Block Installment Payment)	
Issues)	
)	
Comment Requested on 7 Percent Interest)	Public Notice DA 97-1152
Rate Imposed on C Block Installment)	
Payment Plan Notes)	

COMMENTS OF SPRINT CORP.

Sprint Corp. ("Sprint"), a forty percent owner of Sprint Spectrum, L.P., the holder of 30 A and B broadband PCS licenses, and sole owner of Sprint Com., Inc., the owner of 160 D and E broadband PCS licenses in 139 markets, in response to Public Notices DA 97-679¹ and DA 97-1152², respectfully submits its comments on how the Commission should deal with requests by some broadband PCS C and F Block licensees to modify -- in some cases, to significantly change -- the ownership rules and payment obligations pursuant to which their licenses were issued. Sprint opposes any modification that significantly alters the terms and conditions under which the C and F Block auctions were held and licenses issued.

¹ Wireless Telecommunications Bureau Seeks Comment on Broadband PCS C and F Block Installment Payment Issues, Public Notice DA 97-679 (released June 2, 1997).

² Comment Requested on 7 Percent Interest Rate Imposed on C Block Installment Payment Plan Notes, Waivers Requested by Broadband PCS C Block Licensees, Public Notice DA 97-1152 (released June 2, 1997).

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Sprint applauds the Commission's efforts to seek comments on how to best deal with the payment obligations of C and F Block licensees. Because many of the issues raised by those seeking to modify the Commission's ownership rules or the terms of their payment obligations are the subject of Commission rules,³ it would be totally inappropriate, in Sprint's view, to deal with such issues in anything other than an on-the-record proceeding.⁴ Moreover, literally hundreds of businesses, small as well as large, have spent billions of dollars in reliance on the Commission's PCS rules. For the FCC to make significant changes in the ownership terms, or payment obligations of C and F Block licensees will damage the interests of those who relied on and complied with the Commission's existing rules, including existing C and F Block licensees, unsuccessful C and F Block bidders and those, like Sprint, who attempted to, but did not form business ventures with potential C and F Block bidders under the Commission's existing rules. To make the kinds of changes suggested by MCI, Fortunet Communications, L.P. and General Wireless, Inc.,⁵ will, in addition to severely damaging the interests of those relied on and complied with the Commission's existing rules, negate the efficacy of existing, as well as any future auction-related rules and encourage others in future auctions to engage in the same kind of conduct that has led to the current, unfortunate, situation.

Changing the repayment period, the time during which interest only is to be paid, the time at which payment must include principal and interest, suspending payments,⁶ or,

³ See, e.g., 47 C.F.R. §§ 1.2110-11 and 24.709-12 (1996).

⁴ In this regard, Sprint fully supports the views expressed by Cook Inlet Region, Inc. in its Petition for Rulemaking. See, Public Notice, DA 97-679, supra, Appendix D (hereinafter "Cook Inlet Petition.").

⁵ Public Notice, DA 97-679, supra, Appendices B, C and E, respectively.

⁶ Beyond the three to six month "grace period" provided in the Commission's rules. See, 47 C.F.R. §1.2110(e)(4).

particularly, forgiving any portion of the amount due, among others -- all of which are set by Commission rule -- can not be done without damaging the interests of those who relied on and complied with the Commission's rules. If the Commission were to attempt such significant changes, it would render a major part of its auction effort a sham, negate the efficacy of its auction rules and would aid only those who, in Cook Inlet's terms, "placed irresponsible bids in recent auctions and now seek to transfer the burden of their choices to the Commission."⁷ To do so would not promote the public interest and would invite litigation, including litigation seeking damages in the Court of Claims.

The same can be said as to suggestions by MCI and Fortunet that the Commission modify the ownership and attribution rules that apply to C and F block licensees. Moreover, such suggestions raise substantial de facto control issues.⁸ For example, the suggestion that the Commission should expand the 25% equity exception⁹ to permit a single, non-control group entity to provide 37.5% of the licensee's equity, as MCI suggests, or 49.9%, as Fortunet seems to suggest, not only destroys the Commission's attribution rules -- a critical element in determining C and F block eligibility -- but also creates a real risk that the larger, non-control group investor will, in fact, control the C and F block licensee. Such a result is not only contrary to the public interest, but also inconsistent with the Congress and Commission's intent in creating the C and F broadband spectrum blocks.

For the reasons set out above, Sprint respectfully suggests that the Commission's ability to respond to the requests set out in Public Notices DA 97-679 and DA 97-1152 is

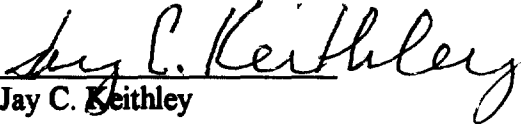
⁷ Cook Inlet Petition, supra. @ 6.

⁸ See, e.g., Implementation of Section 309(j) of the Communications Act -- Competitive Bidding, PP Doc. No. 93-253, First Memorandum Opinion and Order, ¶¶ 77-85, 10 FCC Rcd 403, 446-51 (1994).

limited to that available under Section 1.2110(e)(4) of its rules¹⁰ and that the Commission can not and should not make significant changes in the terms and conditions under which the C and F block broadband PCS auctions were held and licenses issued.

Respectfully submitted,

SPRINT CORPORATION

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June 23, 1997

⁹ See 47 C.F.R. § 24.709(b)(5)(1996).

¹⁰ See fn. 6, *supra*.

CERTIFICATE OF SERVICE

I, Melinda L. Mills, hereby certify that I have on this 23rd day of June, 1997, served via U.S. First Class Mail, postage prepaid, or Hand Delivery, a copy of the foregoing "Comments of Sprint Corporation" in the Matter of Amendment of Part 1 of the Commission's Rules - Competitive Bidding Proceeding, WT Docket No. 97-82; Comments Requested on Broadband PCS C and F Block Installment Payment Issues, Public Notice DA 97-679; Comment Requested on 7 Percent Interest Rate Imposed on C Block Installment Payment Plan Notes, Public Notice DA 97-1152, filed this date with the Acting Secretary, Federal Communications Commission, to the persons on the attached service list.


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